

1 AN ACT in relation to public employee benefits.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 5. The Illinois Pension Code is amended by  
5 changing Section 17-119.1 as follows:

6 (40 ILCS 5/17-119.1)

7 Sec. 17-119.1. Optional increase in retirement annuity.

8 (a) A member of the Fund may qualify for the augmented  
9 rate under subdivision (b)(3) of Section 17-116 for all years  
10 of creditable service earned before July 1, 1998 by making  
11 the optional contribution specified in subsection (b); except  
12 that a member with at least 30 years of creditable service at  
13 retirement qualifies for the augmented rate without making  
14 any contribution under subsection (b). A member may not  
15 elect to qualify for the augmented rate for only a portion of  
16 his or her creditable service earned before July 1, 1998.

17 (b) The contribution shall be an amount equal to 1.0% of  
18 the member's highest salary rate in the 4 consecutive school  
19 years immediately prior to but not including the school year  
20 in which the application occurs, multiplied by the number of  
21 years of creditable service earned by the member before July  
22 1, 1998 or 20, whichever is less. This contribution shall be  
23 reduced by 1.0% of that salary rate for every 3 full years of  
24 creditable service earned by the member after June 30, 1998.  
25 The contribution shall be further reduced at the rate of 25%  
26 of the contribution (as reduced for service after June 30,  
27 1998) for each year of the member's total creditable service  
28 in excess of 34 years. The contribution shall not in any  
29 event exceed 20% of that salary rate.

30 The member shall pay to the Fund the amount of the  
31 contribution as calculated at the time of application under

1 this Section. The amount of the contribution determined  
2 under this subsection shall be recalculated at the time of  
3 retirement, and if the Fund determines that the amount paid  
4 by the member exceeds the recalculated amount, the Fund shall  
5 refund the difference to the member with regular interest  
6 from the date of payment to the date of refund.

7 The contribution required by this subsection shall be  
8 paid in one of the following ways or in a combination of the  
9 following ways that does not extend over more than 5 years:

10 (i) in a lump sum on or before the date of  
11 retirement;

12 (ii) in substantially equal installments over a  
13 period of time not to exceed 5 years, as a deduction from  
14 salary in accordance with Section 17-130.2;

15 (iii) if the member becomes an annuitant before  
16 June 30, 2003, in substantially equal monthly  
17 installments over a 24-month period, by a deduction from  
18 the annuitant's monthly benefit.

19 (c) If the member fails to make the full contribution  
20 under this Section in a timely fashion, the payments made  
21 under this Section shall be refunded to the member, without  
22 interest. If the member dies before making the full  
23 contribution, the payments made under this Section shall be  
24 refunded to the member's designated beneficiary.

25 (d) For purposes of this Section and subsection (b) of  
26 Section 17-116, optional creditable service established by a  
27 member shall be deemed to have been earned at the time of the  
28 employment or other qualifying event upon which the service  
29 is based, rather than at the time the credit was established  
30 in this Fund.

31 (e) The contributions required under this Section are  
32 the responsibility of the teacher and not the teacher's  
33 employer. However, an employer of teachers may, after the  
34 effective date of this amendatory Act of 1998, specifically

1 agree, through collective bargaining or otherwise, to make  
2 the contributions required by this Section on behalf of those  
3 teachers.

4 (Source: P.A. 90-582, eff. 5-27-98; 91-17, eff. 6-4-99.)

5 Section 90. The State Mandates Act is amended by adding  
6 Section 8.25 as follows:

7 (30 ILCS 805/8.25 new)

8 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6  
9 and 8 of this Act, no reimbursement by the State is required  
10 for the implementation of any mandate created by this  
11 amendatory Act of the 92nd General Assembly.

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law.